February 15, 2002

ENGROSSED
SENATE BILL No. 271

DIGEST OF SB 271 (Updated February 13, 2002 12:02 PM - DI 106)

Citations Affected: IC 24-4.7.

Synopsis: Telemarketing. Deletes the requirement that a contract made through a telephone solicitation call is invalid and unenforceable if the contract does not comply with all other statutes. Provides that a telephone solicitor must comply with all applicable laws.

Effective: July 1, 2002.

Young R Michael, Lanane

(HOUSE SPONSORS — STURTZ, YOUNT)

January 7, 2002, read first time and referred to Committee on Commerce and Consumer Affairs.
January 24, 2002, amended, reported favorably — Do Pass.
January 28, 2002, read second time, ordered engrossed. Engrossed.
January 31, 2002, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 5, 2002, read first time and referred to Committee on Judiciary.
February 14, 2002, reported — Do Pass.

C o p y

February 15, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

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ENGROSSED
SENATE BILL No. 271

A BILL FOR AN ACT to amend the Indiana Code concerning consumer sales and credit.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 24-4.7-4-4, AS ADDED BY P.L.189-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) This section does not apply to any of the following:

(1) A sale in which:

(A) no prior payment is made to a merchant;

(B) an invoice accompanies the goods or services; and

(C) a consumer is allowed seven (7) days to cancel the services or return the goods without obligation for payment.

(2) A contractual agreement that:

(A) requires payment; and

(B) allows the consumer at least ten (10) days to cancel the contract and receive a full refund of the payment.

(3) A sale regulated by 170 IAC 7-1.1-19.

(4) A newspaper subscription executed through a telephone call.

(b) A contract made under a telephone sales call is not valid and enforceable against a consumer unless the contract complies with this

section.

(c) A contract made under a telephone sales call must satisfy all of the following:

(1) The contract must be reduced to writing and signed by the consumer.

~~(2) The contract must comply with all other applicable laws.~~

~~(3)~~ **(2)** The contract must contain the name, address, and business telephone number of the seller, the total price of the contract, and a detailed description of the goods or services being sold.

~~(4)~~ **(3)** The description of goods or services as stated in the contract must be the same as the description principally used in the telephone solicitation.

~~(5)~~ **(4)** The contract must contain, in bold, conspicuous type immediately preceding the signature the words "you are not obligated to pay any money unless you sign this contract and return it to the seller".

~~(6)~~ **(5)** The contract may not exclude from its terms any oral or written representations made by the telephone solicitor to the consumer in connection with the transaction.

SECTION 2. IC 24-4.7-4-6, AS ADDED BY P.L.189-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. A telephone solicitor must also comply with **all other applicable laws, including** the following, if applicable:

(1) IC 24-5-12.

(2) IC 24-5-14.

C o p y

COMMITTEE REPORT

Mr. President: The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 271, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 7.

Page 2, after line 26, begin a new paragraph and insert:

"SECTION 2. IC 24-4.7-4-6, AS ADDED BY P.L.189-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. A telephone solicitor must also comply with **all other applicable laws, including** the following, if applicable:

(1) IC 24-5-12.

(2) IC 24-5-14.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 271 as introduced.)

SERVER, Chairperson

Committee Vote: Yeas 6, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred Senate Bill 271, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

STURTZ, Chair

Committee Vote: yeas 9, nays 0.

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